

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF IOWA
CEDAR RAPIDS DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

vs.

FADI YASSINE,

Defendant.

) No. 17-CR-11-LRR

) **INDICTMENT**

) Count 1

) 18 U.S.C. § 371; Title 22 U.S.C.

) § 2778; and Title 22 C.F.R. §§ 120,

) 121.1, 123.1, & 127.1: Conspiracy to

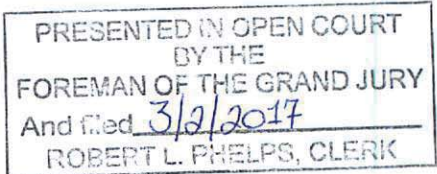
) Violate the Arms Export Control Act

) and Ship, Transport and Deal in

) Firearms Without a License

INDICTMENT

The Grand Jury charges:



Introductory Allegations

At all times material to this Indictment:

1. In furtherance of world peace and the security and foreign policy interests of the United States, the Arms Export Control Act, Title 22, United States Code, Section 2778 ("AECA"), authorized the President of the United States to control the export of designated "defense articles" from the United States. 22 U.S.C. § 2778(a)(1).

2. The AECA required every person engaged in the business of exporting, or "brokering activities" with regards to the export of, such defense articles to register with and pay a fee to the appropriate agency of the United States. 22 U.S.C. § 2778(b)(1)(A)(i) & (b)(1)(A)(ii)(I).

3. Such “brokering activities” included the financing, transportation, freight forwarding, and taking of any other action that facilitated the export of a defense article. 22 U.S.C. § 2778(b)(1)(A)(ii)(II).

4. Any person engaged in the business of “brokering activities” was required to be licensed by the United States. 22 U.S.C. § 2778 (b)(1)(A)(ii)(III).

5. No “defense articles” were permitted to be exported without a license required by law. 22 U.S.C. § 2778(b)(1)(A)(ii)(IV)(B)(2).

6. The regulations promulgated pursuant to the AECA, known as the International Traffic in Arms Regulations (“ITAR”), defined “exporting” to include, among other things, “[s]ending or taking a defense article out of the United States in any manner” 22 C.F.R. § 120.17.

7. The ITAR defined a defense article to be any item on the United States Munitions List (“USML”) contained in the regulations. The USML set forth twenty-one categories of defense articles that were subject to export licensing controls by the United States Department of State’s Directorate of Defense Trade Controls (“DDTC”). 22 C.F.R. § 121.1.

8. It was the policy of the United States to deny licenses or other approvals for exports of defense articles destined for Lebanon, as set out at 22 C.F.R. § 126.1(t).

9. The firearms and ammunition placed within each of the shipping containers referenced herein qualified as defense articles designated under Categories I and III of the USML. 22 C.F.R. § 121.1. Category I of the USML designated certain firearms and related components, parts, accessories, and attachments as defense

articles subject to the ITAR. 22 C.F.R. § 121.1. Category III of the USML designated ammunition for the articles in Category I, and related components, parts, accessories, attachments, and associated equipment specifically designed or modified for ammunition as defense articles subject to the ITAR. 22 C.F.R. § 121.1.

10. No defense articles were permitted to be lawfully exported or otherwise transferred from the United States to a foreign country without a prior license or written approval having been obtained from DDTC. 22 C.F.R. § 123.1(a). The ITAR also prohibited re-exports, transfers, transshipments, and diversions from foreign countries of previously-exported defense articles or services without DDTC authorization. 22 C.F.R. § 123.9(a).

11. No conspirator applied for, received, or possessed a registration or license required by law to authorize the export or transfer of defense articles of any description, including those identified in this Indictment.

Count 1
**Conspiracy to Violate the Arms Export Control Act,
Deal in Firearms without a License, and
Ship and Transport Firearms and Ammunition
in Interstate and Foreign Commerce Without a License**

12. Between about late 2013, and about May 12, 2015, in the Northern District of Iowa and elsewhere, defendant FADI YASSINE did knowingly and unlawfully conspire and agree with other persons known and unknown to the grand jury, to commit the following violations of law:

- 1) Exporting defense articles without the required registration, in violation of Title 22, United States Code, § 2778(b)(1)(A)(i);

- 2) Brokering the export of defense articles without the required registration, in violation of Title 22, United States Code, § 2778(b)(1)(A)(ii)(I);
- 3) Exporting defense articles without obtaining a license as required by law, in violation of Title 22, United States Code, § 2778(b)(1)(A)(ii)(IV)(B)(2);
- 4) Dealing firearms without a license, in violation of Title 18, United States Code, Section 922(a)(1)(A);
- 5) Shipping and transporting firearms in interstate and foreign commerce, in the course of dealing in firearms without a license, in violation of Title 18, United States Code, Section 922(a)(1)(A).

Manner and Means of the Conspiracy

13. The conspirators used the following manner and means, among others, to accomplish the objects of the conspiracy:

- a) Conspirators communicated with each other, and with prospective firearms and ammunition buyers and sellers, within the United States and internationally, via telephone, email, Facebook, and a variety of other social media or communications platforms;
- b) One or more of the conspirators acquired firearms and ammunition in Iowa and elsewhere in the United States;
- c) One or more of the conspirators traveled internationally in furtherance of the scheme to export and sell firearms and ammunition to customers in Lebanon;
- d) Firearms buyers in Lebanon paid cash for firearms exported to Lebanon;
- e) Firearms buyers in Lebanon advanced cash to be used by other conspirators to acquire more firearms in the United States for export to and sale in Lebanon;
- f) Funds used to purchase firearms, ammunition, and other materials or services related to the scheme to export and

sell firearms and ammunition, were carried by person or transmitted via wire in interstate or foreign commerce;

- g) Various items, including Bobcat skid loaders, were acquired and used to shield and conceal firearms and ammunition intended for shipment to Lebanon;
- h) Arrangements were made to load and transport in interstate and foreign commerce, via common and contract carriers, shipping containers destined for Lebanon, that were loaded with Bobcat skid loaders and other packages and items bearing firearms and ammunition;
- i) No license was obtained to engage in the business of dealing in firearms or ammunition;
- j) No registration or license was obtained to authorize the export of firearms or ammunition from the United States; and
- k) Firearms acquired by the conspirators were resold at a substantial profit to one or more customers in Lebanon.

Overt Acts

14. In furtherance of the above conspiracy, and to effect the objects thereof, the following overt acts, among others, were committed by the conspirators in the Northern District of Iowa, and elsewhere:

- a) Firearms were acquired in the United States on at least each of the following dates, with each such acquisition constituting a separate overt act:

12/05/2014	1/28/2015	2/21/2015	3/04/2015
12/18/2014	1/30/2015	2/23/2015	3/05/2015
12/23/2014	2/06/2015	2/24/2015	3/10/2015
12/30/2014	2/07/2015	2/25/2015	3/12/2015
1/08/2015	2/08/2015	2/26/2015	
1/20/2015	2/09/2015	2/27/2015	
1/23/2015	2/10/2015	2/28/2015	
1/27/2015	2/20/2015	3/01/2015	

- b) In about March 2014, a shipping container (container # YMLU506911-1) destined for Lebanon was loaded at Midamar Corporation in Cedar Rapids, Iowa, with four (4) Bobcat skid loaders (serial nos. 515837016, 519013090, 508612487, 508613046), other items, and packages containing numerous firearms and ammunition.
- c) Container # YMLU506911-1 was caused to be transported from Cedar Rapids via a contract freight carrier to Illinois.
- d) Container # YMLU506911-1 was caused to be transported via rail from Illinois to the port at Norfolk, Virginia.
- e) Container # YMLU506911-1 was caused to depart the port at Norfolk, Virginia, via ship destined for Beirut, Lebanon.
- f) In about August 2014, a shipping container (container # MSKU181881-0) destined for Lebanon was loaded at Midamar Corp. in Cedar Rapids, Iowa, with three (3) Bobcat skid loaders (serial # 526211939, 519024548, 509315126) and other items and packages containing numerous firearms and ammunition.
- g) On about August, 2014, container # MSKU181881-0 was caused to be transported via a contract freight carrier from Cedar Rapids, Iowa, to in or near Chicago, Illinois.
- h) On or about August, 2014, Container # MSKU181881-0 was caused to be transported via rail from in or near Chicago, Illinois to the port at Norfolk, Virginia.

- i) On or about August 21, 2014, Container # MSKU181881-0 was caused to depart the port at Norfolk, Virginia, via ship destined for Beirut, Lebanon.
- j) On November 14, 2014, a \$44,965 wire transfer sent from "Awada Mariam Mohamad SP Herz Afif, Beirut, Lebanon," with the notation, for "her daughter in law as family aid" was sent to a checking account at Wells Fargo Bank in the United States.
- k) On December 2, 2014, conspirator Ali Herz transported at least \$61,400 in cash when entering the United States from Paris, France, while in transit from Lebanon.
- l) On December 3, 2014, a \$49,965 wire transfer was sent from "Herz Ali Afif," "Majdal Selem-Abou, Lebanon," with the notation, "purchase industrial equipments [sic]" to a checking account at Bank of the West in the United States.
- m) In about March 2015, a shipping container (container # TMLU8871286) destined for Lebanon was loaded at Midamar Corporation in Cedar Rapids, Iowa, with three (3) Bobcat skid loaders (serial nos. 512820374, 509635591, and 509649941), other items, and packages containing the following firearms and ammunition (defense articles):

Beretta 96 .40, Serial # BER575180
Beretta 92FS 9mm, Serial # BER313392Z
Beretta M9A1 9mm, Serial # BER700274
Beretta Nano .380, Serial # NU060349
Beretta Pico .380, Serial # PC007219
Chiappa Rhino .357, Serial # RH16684
Chiappa Rhino .357, Serial # RH10142
CZ 75-SP1 9mm, Serial # A889807

Desert Eagle .50, Serial # DK0021687
Desert Eagle .50, Serial # DK0016477
Desert Eagle .44, Serial # 95205809
FNH Five Seven Pistol 5.7mm, Serial # 386278210
FNH FNP-9 9mm, Serial # 61BMN05585
FNH PS90 5.7mm, Serial # FN096117
FNH PS90 5.7mm, Serial # FN089173
Glock 17 9mm, Serial # VXH042
Glock 19 9mm, Serial # VVC765
Glock 19 9mm, Serial # YTG099
Glock 19 9mm, Serial # YRN111
Glock 19 9mm, Serial # YCY365
Glock 19 9mm, Serial # YGZ597
Glock 19 9mm, Serial # VVE997
Glock 19 9mm, Serial # VRU285
Glock 19 9mm, Serial # YGZ626
Glock 23 .40, Serial # VSY156
Glock 36 .45, Serial # MGH006
Glock 42 .380, Serial # ABAG925
IWI Desert Eagle .50, Serial # DK0021145
IWI Desert Eagle .45, Serial # 39301288
Magnum Research .50, Serial # DK0021152
Master Piece Arms 9mm, Serial # F22384
Ruger P89 9mm, Serial # 310-72237
Sig 226, Serial # U780171
Sig 238 .380, Serial # 27B013818
Sig 238 .380, Serial # 27B072685
Sig 238 .380, Serial # 27B110099
Sig 320 9mm, Serial # 58A001019
Sig 716 7.62mm, Serial # 22C019129
Sig 716 7.62mm, Serial # 22G008961
Sig 1911 .45, Serial # 54B049130
Sig 320C 9mm, Serial # 58A013614
Sig P250 9mm, Serial # EAK194692
Sig P290RS 9mm, Serial # 26C041759
Sig P938 9mm, Serial # 52A038306
Sig Sauer P226 9mm 47A050973
Smith & Wesson Bodyguard .38, Serial # CWR9629
Smith & Wesson M&P 9mm, Serial # HSS2083
Smith & Wesson M&P Bodyguard .380, Serial # KBY5184
Smith & Wesson PC1911 .45, Serial # UCX9691
Smith & Wesson SD9VE 9mm, Serial # HEY2332
Springfield XD .45, Serial # MG633605
Taurus TCP .380, Serial # 90805D

Taurus PT911 9mm, Serial # TDR31710
40 rounds of 9.3 x 74r caliber Federal Premium ammunition
2,250 rounds of 5.7 mm ammunition
50 rounds of .380 caliber ammunition
82 rounds of Winchester .44 caliber ammunition
250 rounds of 9mm ammunition
300 rounds of .40 caliber ammunition
200 rounds of .270 caliber ammunition
3,500 rounds of .50 caliber AE ammunition
300 rounds of .45 caliber ammunition

- n) Shipping container # TMLU8871286 was caused to be transported via contract freight carrier from Cedar Rapids to Illinois.
- o) Shipping container # TMLU8871286 was caused to be transported via rail from Illinois, to the port at Norfolk, Virginia.
- p) Between about May 6 and 8, 2015, a shipping container (container # TEMU7027230) destined for Lebanon, was loaded at Midamar Corporation in Cedar Rapids, Iowa, with two (2) Bobcat skid loaders (serial nos. 509636608 and 531412138), other items, and packages containing the following firearms and ammunition, components, parts, accessories and attachments (defense articles):

Beretta 92FS 9mm, Serial # BER685358
Beretta 92FS 9mm, Serial # A030417Z
Beretta 92FS 9mm, Serial # M72160Z
Beretta 92FS 9mm, Serial # A049519Z
Beretta Nano 9mm, Serial # NU046183
Beretta Nano 9mm, Serial # NU060804
Beretta Pico .380, Serial # PC008875
Beretta PX4 Storm 9mm, Serial # PX04658
Beretta PX4 Storm 9mm, Serial # PZ514091
Beretta PX4 Storm 9mm, Serial # PX170207
Beretta PX4 Storm 9mm, Serial # PZ20450
Beretta PX4 Storm 9mm, Serial # PX103042
Beretta PX4 Storm .40, Serial # PY55169

Chiappa Rhino 60DS .357, Serial # RH16769
Chiappa Rhino 60DS .357, Serial # 14A54627
FNH Five Seven Pistol 5.7mm, Serial # 386277104
FNH Five Seven Pistol 5.7mm, Serial # 386278673
FNH FNS-9 9mm, Serial # GKU0010143
FNH FNS-9 9mm, Serial # GKU0071074
FNH FNS-9 9mm, Serial # GKU0049644
FNH FNS-9 9mm, Serial # GKU0046452
FNH PS90 5.7mm, Serial # FN096150
FNH PS90 5.7mm, Serial # FN095811
FNH PS90 5.7mm, Serial # FN096887
FNH PS90 5.7mm, Serial # FN096118
FNH PS90 5.7mm, Serial # FN097041
Glock 17 9mm, Serial # ISP5243
Glock 17 9mm, Serial # 2014LAV
Glock 17 9mm, Serial # VKH325
Glock 19 9mm, Serial # YTH278
Glock 19 9mm, Serial # YCS113
Glock 19 9mm, Serial # AARV506
Glock 19 9mm, Serial # YTB743
Glock 19 9mm, Serial # YRN953
Glock 19 9mm, Serial # AAMN311
Glock 19 9mm, Serial # YRN014
Glock 19 9mm, Serial # YTB744
Glock 19 9mm, Serial # VVC769
Glock 19 9mm, Serial # VVC768
Glock 19 9mm, Serial # YRP817
Glock 26 9mm, Serial # XKY812
Glock 42 .380, Serial # ABCD272
Glock 42 .380, Serial # ABCC351
Glock 42 .380, Serial # ABBM246
Glock 42 .380, Serial # AAVY498
Glock 42 .380, Serial # ABAT623
HK VP9 9mm, Serial # 224-030690
HK VP9 9mm, Serial # 224-040785
Magnum Research 9mm, Serial # 9mm 43369776
Magnum Research Desert Eagle, Serial #.50 DK022789
Magnum Research Desert Eagle 9mm, Serial # 43366922
Magnum Research Desert Eagle 9mm, Serial # 43366855
Magnum Research Desert Eagle .50AE, Serial # DK0021675
Magnum Research Desert Eagle 9mm, Serial # 44328050
Sig Sauer 716 .308, Serial # 22G008381
Sig Sauer 716 .308, Serial # 22G008374
Sig Sauer 1911 .45, Serial # 54B076326

Sig Sauer 1911 .45, Serial # 54B066437
Sig Sauer P226 9mm, Serial # U843479
Sig Sauer P226 9mm, Serial # U765276
Sig Sauer P229 9mm, Serial # AKU23220
Sig Sauer P229 9mm, Serial # AJU27496
Sig Sauer P229 Elite 9mm, Serial # 55B028234
Sig Sauer P290RS 9mm, Serial # 26C046757
Sig Sauer P290RS 9mm, Serial # 26C028066
Sig Sauer P290RS 9mm, Serial # 26C041719
Sig Sauer P290RS 9mm, Serial # 26C028402
Sig Sauer P320 9mm, Serial # 58B015276
Smith & Wesson Airweight .38, Serial # CXB5070
Smith & Wesson Bodyguard .380, Serial # KBW1388
Smith & Wesson Bodyguard .380, Serial # KBY4800
Smith & Wesson Bodyguard .380, Serial # ECD4280
Smith & Wesson Bodyguard .380, Serial # EAN9902
Smith & Wesson Bodyguard .38, Serial # CVU1469
Smith & Wesson Bodyguard .380, Serial # KAN5786
Smith & Wesson Bodyguard .380, Serial # KBW7965
Smith & Wesson Bodyguard .380, Serial # KBW0181
Smith & Wesson M&P 15, Serial # SU75337
Smith & Wesson M&P 40C .40, Serial # HPL9985
Smith & Wesson M&P Shield 9mm, Serial # MVJ2129
Smith & Wesson M&P Shield .40, Serial # HUV9767
Smith & Wesson M&P15, Serial # SV58962
Smith & Wesson M&P15, Serial # SU73119
Smith & Wesson M&P15, Serial # SU73128
Smith & Wesson M&P15, Serial # SU73328
Smith & Wesson M&P15, Serial # SU75945
Smith & Wesson M&P15, Serial # SU75151
Smith & Wesson M&P15, Serial # SU75946
Smith & Wesson M&P15, Serial # SU73308
Smith & Wesson M&P15, Serial # SU73315
Smith & Wesson M&P15, Serial # SU73327
Smith & Wesson M&P15, Serial # SU69989
Smith & Wesson M&P15, Serial # SU73325
Smith & Wesson M&P15, Serial # SU75929
Smith & Wesson M&P15, Serial # SU75942
Smith & Wesson M&P15, Serial # SU73324
Smith & Wesson M&P15, Serial # SV58508
Smith & Wesson SW99 9mm, Serial # SAA7029
Uberti 1875 Outlaw .45LC, Serial # U24378
1,400 rounds of Hornady .50 caliber AE ammunition
600 rounds of Lake City .308 caliber ammunition

550 rounds of Winchester .380 caliber ammunition
150 rounds of Winchester .45 caliber LC ammunition
50 rounds of Remington 9mm ammunition
50 rounds of Federal 9mm ammunition
20 rounds of Remington .223 caliber ammunition
1,200 rounds of American Eagle (Federal) 9mm ammunition
850 rounds of American Eagle (Federal) 5.7mm ammunition
1,000 rounds FN (Fiocchi) 5.7mm ammunition
760 rounds of .380 caliber ACP
77 rounds of .40 caliber S&W
150 rounds of .44 caliber Remington Magnum
40 rounds of .45 caliber Long Colt
520 rounds of .50 caliber AE
700 rounds of 5.7mm
257 rounds of 7.62mm
1500 rounds of 9mm

Assorted firearms and ammunition components, parts, accessories,
and attachments consisting of quad rails, rail mounts, heat shields,
and magazines.

15. This was all in violation of Title 18 U.S.C. § 371; Title 22 U.S.C. § 2778; and
Title 22 C.F.R. §§ 120, 121.1, 123.1, & 127.1.

Presented by:

KEVIN W. TECHAU
United States Attorney

By, 

RICHARD L. MURPHY
Assistant United States Attorney

A TRUE BILL

s/Foreperson


Foreperson

3-2-2017
Date